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Nechako-Kitamaat
Development Fund Society

2008 – 2009
Annual Report

March 31, 2009

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NKDF Annual Report

nkdf

Nechako-Kitamaat
Development Fund Society

2008-2009 ANNUAL REPORT

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1. Report From The Chair

This concludes ten years of service to our member communities and I thank both current and past directors for their commitment to Nechako-Kitamaat Development Fund Society (NKDF). Further, I thank our business manager Dan Boudreau for his continued diligence and commitment to effective administration of our processes.

This has been a personally rewarding and highly successful year to be part of NKDF as it invests in a growing number of projects in the Nechako-Kitamaat communities. During the 2008-2009 fiscal we approved $711,590 for 17 new projects, bringing the approvals to date to a total of just over $5.57 million for projects across the region.

I find it most gratifying to visit and share the pride expressed by proponents as they showcase successful projects in their communities. From an NKDF perspective we are fortunate to be able to assist motivated community groups to leverage considerable amounts of funding into local economies, and to achieve remarkable goals to the benefit of all constituents throughout the investment area.

This year it has been our pleasure to partner with several agencies. Projects conceived at the local level are made possible through considerable generosity of organizations such as Northern Development Trust Initiative, Western Diversification (CEDI), Indian and Northern Affairs Canada (INAC), Coast Sustainability Trust, and the Real Estate Foundation of BC.

In the face of the global economic difficulties, we see municipal governments working hard to improve the quality of life in their communities. Many projects this year were championed by local governments, such as Haisla Tourism project by Kitamaat Village Council; Documentary Film project by Cheslatta First Nation; Wind Energy Evaluation by Stellat'en First Nation; and Spirit Square Nourse Park by the Village of Burns Lake. The District of Vanderhoof has enjoyed a banner year with projects such as Airport Lighting & Navigation, Sportsfield and Stadium, and Downtown Revitalization.

Many projects are brought to life through tireless efforts and ongoing grassroots contributions of other agencies like COMFOR in Burns Lake, local Credit Unions, Rotary Clubs and many private and corporate citizens providing generous donations of cash, labour and materials. The combined result across the NKDF investment area is that the 2008-2009 fiscal has been a year we can all be proud of.

I invite you to visit our website at www.nkdf.org for more information about our requirements for applications, activities, directors, the results of decisions, as well as financial and annual reports.

It has been an honour to serve as your Chair for the past 2 years, and I wish thank each and every one of you for your part in making my term as Chair a positive and satisfying experience.

Original Signed by:
Paul Stewart, Chair

2. Society Overview

2.1 Mandate

The Nechako-Kitamaat Development Fund (NKDF) Society's funding programs are designed to support sustainable economic activity in northern communities affected by the Kitimat-Kemano project and by the creation of the Nechako Reservoir. The NKDF Society spends the income from its long-term investments on programs and projects that meet each community's goals for economic development and community stability.

2.2 Background of the Fund

In 1997, the Government of British Columbia and Alcan Aluminum Limited each contributed $7.5 million to create the BC-Alcan Northern Development Fund. This BC-Alcan Agreement settled the legal issues between Alcan Aluminum Limited and the BC Government that arose from cancellation of the Kemano Completion Project. In January 1998 an advisory Board for the Northern Development Fund was formed. Its job was to advise the government on how the Fund should be run to stimulate economic growth. In April 1998, the legislature passed Bill 5, the "BC-Alcan Northern Development Fund Act."

Enabled by this Act, and by the recommendations of the advisory Board, the NKDF Society was incorporated on August 18, 1999. The Minister of Community Development appoints Board members to represent the communities of the Nechako-Kitamaat area.

2.3 Investment Area

The investment area for the NKDF is normally limited to those communities with evidence of impacts from Alcan's Nechako Reservoir and Kemano power project. We encourage applications from local governments and legally incorporated non-profit organizations serving the following communities:

District of Vanderhoof	Nadleh Whut'en Band	Burns Lake Band
Fort Fraser	Kitamaat Village	Nee Tahi Buhn Band
Village of Fraser Lake	Stellat'en First Nation	Skin Tyee Band
Village of Burns Lake	Saik'uz First Nation	Cheslatta Carrier Nation
Ootsa Lake		

Applications may be accepted from other areas of Northwestern BC, provided the listed communities receive direct economic benefits from the project and demonstrate their support for the project.

2.4 Guiding Principles of the Fund

COMMUNITY ECONOMIC DEVELOPMENT	The NKDF will invest in community economic development projects and/or programs that are supported by the community, as long as they do not subsidize private business.
JOB CREATION & ENHANCEMENT	Creating new jobs and enhancing existing jobs are priorities of the NKDF.
SUSTAINABLE EMPLOYMENT	A priority of the Fund will be to support long term employment - both full time and seasonal.
COMMUNITY INTERRELATIONSHIPS	The Fund recognizes the value of interrelationships between communities. Consideration will be given to proposals from outside the Nechako Region and Kitamaat Village if they demonstrate a benefit to those areas.
CLEAR AND ACCESSIBLE	The Fund will have policies and programs that are accessible with clearly defined evaluation criteria.
FIRST NATIONS' PARTICIPATION	First Nations' participation in the Fund will not prejudice the First Nation land claim process.
LOCAL CONTROL	The majority of NKDF Directors will reside in the investment area. The Board will determine the ongoing management of the Fund consistent with provincial government policy.
BENEFITTING FUND	The Fund is intended to create benefits through sustainable community economic development. It is not intended to be compensation for those who believe themselves to have been negatively affected by the Kitimat-Kemano Project, the creation of the Nechako Reservoir or the cancellation of the Kemano Completion Project.
COOPERATIVE VENTURES	The Fund can be utilized in cooperative ventures along with other funding sources.
NO DUPLICATION	The Fund will not duplicate but may augment existing economic development programs.
WORKING FUND	$5 million from the original $15 million Fund is in a working fund to invest in current grant programs.
LEGACY FUND	$10 million from the original $15 million Fund is in a legacy fund, which is invested to finance activities into the future in perpetuity.

* Fund investments are managed by the British Columbia Investment Management Corporation. Monies of the Northern Development Fund – to be used in support of the programs of the NKDF Society – are in investment vehicles that are generally conservative but that also provide some opportunities for growth.

2.5 Society Management

The NKDF Society is governed by a northern-based Board of government appointees who live in the investment area and represent a range of interests. Board seats during the past year were held by:

- Justus Benckhuysen, Rio Tinto Alcan Inc.
- Gloria Catherall, Burns Lake
- Keith Federink, Vanderhoof
- Ray Gerow, Prince George
- Harvey Grant, Kitamaat Village
- Mike Robertson, Southside
- Tracey Ross, Kitamaat Village
- Paul Stewart, Vanderhoof (Chair)
- Linda Woodruff, Vanderhoof (Secretary/Treasurer)

Management services are provided through a contract with Dan Boudreau dba Macrolink Action Plans Inc., based in Prince George, British Columbia.

2.6 Government Relations

Since the Society's incorporation in 1999, the provincial government has transferred $6.3 million from the Northern Development Fund to the NKDF Society for its operations and programs. The balance of the original $15 million remains under the control of the BC Investment Management Corporation. (See financial statements for detailed balances of the Society's accounts.)

The Directors and Manager report to the Minister of Community Development. The Minister is responsible for approving the Society's annual business plan and for appointing all Society Directors. This reporting relationship is intended to ensure that the Society's actions continue to adapt to changes in provincial government priorities and direction.

In addition to the Society's relationship with the province, the Society also has relationships with federal government ministries and agencies such as Service Canada, Western Economic Diversification and Indian and Northern Affairs in order to coordinate work on projects of mutual interest.

3. Goals and Achievements

This section is includes information from the formal evaluation form completed by Society Directors at the end of each fiscal year, where criteria are judged on a score of 1 to 4, with 1 being poor, 2 being fair, 3 being good and 4 being excellent. The goal is to achieve scores of 3 or 4, and to develop strategies to improve in areas that are scored only 1 or 2.

3.1 Operations

Board Operations

There were four regular Board meetings this year and one conference call. Two of the meetings were held in Vanderhoof, one was in Southside, and the other in Kitamaat Village.

In the annual evaluation, Directors rated most aspects of operations as good and some as fair. Although conference calls are not perfect, it was generally felt that they are still the most effective way to conduct business during the winter. Overall, the Director participation was excellent.

Directors were satisfied with the frequency of Board meetings and with the decision making process. Directors believe that the Board meetings provide an effective forum for healthy and open discussion and that the consensus method is working well for decision making. The Society benefits from a mix of Directors with various background experience and interests, and who work well together for the economic benefit of all communities in the investment area.

During the upcoming year, Directors plan to update the strategic plan and clarify the NKDF mandate and criteria.

Management Services

In the annual evaluation, Directors rated the Management Services at excellent to good. Directors have been pleased with the flow of information, the quality of service for applicants and clients, and the increased awareness of NKDF in the communities throughout the investment area.

The Manager is effective at providing information prior to Board meetings and keeping Directors informed between meetings. Applicants are well prepared by the Manager, which means they understand the NKDF requirements and criteria, which helps them to provide the information needed to enable Directors to make informed decisions.

The Manager will focus on three main areas for the upcoming year: clearly communicating the Society's mandate and criteria to applicants, ensuring relevant and succinct information in all Board packages, and building on the Society's positive reputation to increase awareness of NKDF in the communities. Directors expressed an appreciation for the quality of the Management Services and in particular, the level of communication with all stakeholders.

3.2 Programs

Community Grant Program

The Society received a total of 23 new applications during the year and approved 17, totalling $711,580 for the entire investment area for the 2008-2009 fiscal.

This year the majority of Directors rated the Community Grant Program as good to excellent. During this fiscal year Directors reviewed and updated the NKDF vision. Funds are being allocated effectively to each of the areas and the grants are for worthwhile projects that benefit the communities and the investment area. Directors are pleased to have successfully leveraged Society funds with investment funds from other agencies.

For the upcoming year Directors and the Manager will continue to promote the programs and work to increase the uptake in the smaller communities. Directors agree that NKDF Society is benefiting from the increased recognition in the local media across the investment area.

Throughout the year the Manager and Directors welcome feedback from applicants and constituents of the investment area. At the same time, the Directors focus on ensuring the fund is safeguarded by making informed decisions that bring the highest value to government, business people and communities outside the investment area.

Detailed descriptions of this year's approved projects are in section 4.

Community Legacy Fund Program

The Community Legacy was established in 1998, when $10 million of the Society's funds were invested to grow and to perpetuate NKDF programs into the future. The Community Legacy Fund is currently held at the BC Investment Management Corporation and the value as of March 31, 2009 is $15,926,561. Now that the principal has reached that value, the amount of the fund exceeding inflation is spent annually on operations and grants.

Business Loan Program

The Business Loan Program was cancelled as a result of the government-led performance review in 2003. The review ruled that the program creates a business subsidy, and is therefore contrary to government policy. The last outstanding loan was paid in full during the 2007-2008 fiscal year, bringing the loans program to a close.

4. Grants Program Details

The Society approved $711 500 in new grants this year, bringing the total approved funding to $5,372,853 since inception. The following table shows grant proposal statistics in this year and all prior years since the inception of the fund.

Year	Proposals Received	Proposals Approved	Proposals Not Approved	Total $ Committed	Total $ Paid
2008-2009	23	17	6	$711 500	$594 000
2007-2008	10	28	9	$738 917	$648 250
2006-2007	20	13	7	$859 000	$1 173 240
2005-2006	24	19	5	$823 149	$805 151
2004-2005	24	20	4	$464 958	$516 000
2003-2004	40	31	14	$1 172 887	$484 778
2002-2003	9	7	1	$96 145	$234 894
2001-2002	20	11	9	$516 581	$245 636
2000-2001	13	8	7	$137 334	$149 004
1999-2000	8	5	3	$48 021	$25 000
Total	259	169	90	$5,972,953	$4,876,973

The following table summarizes proposals not approved during this fiscal year.

Project	Date	Requested	Reason for Decline
Economic Study	29-May-09	$25,000	Did not represent MIDF communities
Community Accessibility	23-Jul-08	32,000	Weak economic link to investment area
Facility Infrastructure	23-Jul-08	50,000	Property leased to private individuals
Contracting Business	15-Jan-09	150,000	MIDF does not subsidize business
Car Wash and Store	15-Jan-09	197,226	MIDF does not subsidize business
Fish Farm Feasibility	24-Mar-09	52,000	Declined as presented

[illegible] Annual Report 2007-2008

This table summarizes the grant projects approved or under contract during the 2007-2008 fiscal year. Summaries are included for each of the approved projects in the following table.

Recipient	Project	Approved	Approved Year	Status
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

6. Project Descriptions Sorted by Location (East to West)

6.1 Neighborhood Projects

[illegible] [illegible]

Amount of Benefit/Cost

The [illegible] of neighborhood is increasing the economic stability and quality of life for the community by installing ground lighting and a navigation system that will allow for the [illegible] access to the airport. Which provides jobs including for an engineering team for [illegible] airport is [illegible] and [illegible] with funding for upgrading of [illegible] of a [illegible] recommendation from Phase. The project was recommended by Vision in Electric Phase in the [illegible] subprogram. The funding partnership includes [illegible] Agency of Neighborhood, Ministry of Transportation and Infrastructure, Northern Development Initiative, and [illegible] Program.

[illegible] Revitalization [illegible]

Amount of Benefit/Cost

This is the fourth phase of the neighborhood Revitalization plan that was initiated in 1999. In this phase, the [illegible] of neighborhood is increasing the economic value of Riverside Avenue from Lakeview to Cedarwood Street. The revitalization project has brought economic benefits to the community. An evaluation was conducted in 2006 to determine the impact of revitalization on the local economy. Revenues/businesses and tourism have increased. The results included a [illegible] value of the impacts of revitalization efforts in neighborhood. The funding partnership includes [illegible] Agency of Neighborhood, Northern Development Trust Initiative, and Western Economic Diversification.

[illegible] Park

Amount of Benefit/Cost

The [illegible] of neighborhood will build the neighborhood Sport Square with a split-like theme on highway. All three sport houses will feature a number of displays including [illegible] history and [illegible] wildlife, [illegible] of family, agricultural and forestry. The project is [illegible] by [illegible]. The [illegible] of neighborhood and the Province of British Columbia. It is planned to be [illegible] [illegible] be made and be visited in the area, providing short-term jobs during the construction phase, and long-term economic benefits through [illegible] [illegible].

[illegible] Centre Feasibility & Business Plan

Amount of Benefit/Cost

The Nechako White Sturgeon is on the brink of extinction. It is believed an [illegible] population the 40 [illegible] have been lost to an [illegible] [illegible] according to the Committee on the Status of Endangered Wildlife in Canada. The [illegible] of neighborhood, along with other local communities and First Nations, [illegible] has a [illegible] significant [illegible] which [illegible] to [illegible] [illegible] efforts, will present economic opportunities in [illegible] tourism, education, and environmental stewardship. The funding is to assist with the development of a business plan for the [illegible] Centre, once feasibility has been determined. The funding partnership includes [illegible] Agency of Neighborhood and Western Economic Diversification.

[illegible]

[illegible]

[illegible]

[illegible]

Distortion — **$5,300**

Southside Volunteer Fire Department Society

Southside Volunteer Fire Dept is a registered Society operating since 1963 in the Southside area. The fire hall does not currently have a water supply – water is hauled to the hall location from Frenzee Lake. In 2008, NKDF assisted SVFDS to install a 5000 gallon underground water tank at the Southside Health & Wellness Centre. This application is for funding assistance to install a 1000' water line from Frenzee Lake to the fire hall to create a year round supply of water to that location. This project is funded in partnership by NKDF, Southside Volunteer Fire Department Society, and Hemp Construction.

Southside Development — **$40,000**

Village of Fraser Lake

Village of Fraser Lake has been planning for some time to develop a 30-acre property on the south side of Highway 16. The purpose is to provide serviced commercial-industrial land, currently lacking in the area, ready for sale to potential entrepreneurs. The shortage is made even more severe by a lack of commercial/industrial property within the surrounding communities, and by the restrictions of the Agricultural Land Reserve. This project is a partnership between the Village of Fraser Lake, Province of British Columbia, and Northern Development Trust Initiative. The Village of Fraser Lake has an application in for assistance to complete the project funding package, but this source is unconfirmed at this time.

5.3 *Burns Lake / Southside Projects*

Electronic Signs — **$10,000**

Burns Lake & District Chamber of Commerce

The Burns Lake Beautification Committee will replace the older, well-used banner with a new electronic sign to communicate with locals and visitors to the area. The electronic sign will display advertising for commercial and non-profit chamber members and non-members.

Community Housing — **$22,000**

Burns Lake First Nation

NKDF previously supported the Burns Lake Band for engineering and business planning for Phase I of the Gathering Place. The funding is to assist with preparing the architectural drawings and engineering documents for Phase II of the project, which is to renovate 3 meeting rooms (capacity 120 people). Other funding partners include the Burns Lake Community Forest Society and the Burns Lake Band.

Bike Park — $10,000

Burns Lake Mountain Bike Association

This project first came to NKDF in November 2005 and was approved for $3,360 to assist with the completion of the planning and assessment. That part of the project was completed in May 2006, with the help of the International Mountain Bicycling Assn. (IMBA). Burns Lake Mountain Bike Association was incorporated in August 2006. Through an impressive mix of funding, volunteer time, donated labour, equipment, materials and supplies, public recognition and political will, the stakeholders have now completed Phase I of the project. This approval is to assist with furthering the development of a world class standard mountain bike park in Burns Lake.

CropCam Feasibility — $1,000

Burns Lake Native Development Corporation

Funding is approved for BLNDC to determine feasibility of purchasing a mini-airplane for the purpose of providing geo-referenced aerial photos along predetermined geographic position system (GPS) routes. In the last three decades, advancements in digital computers, satellite position sensing, solid-state inertial sensing, and video imaging have made possible the first generation of small, affordable, robotic aircraft that require only moderate operator skills and can provide useful image data. These vehicles typically have a wingspan of less than 6 feet and weigh less than 10 pounds, so they pose minimal safety hazards to the public. Because they fly at low altitudes (less than 500 feet), they operate below the airspace where full-size aircraft operate. This project is a partnership involving NKDF and BLNDC.

Block Processing Plant — $20,340

Burns Lake Native Development Corporation

After the closing of Burns Lake Specialty Woods in 1999/2000 due to dwindling sales, weakening housing markets and high operational costs, BLNDC purchased the old BSW site. BLNDC has engaged a private partner to assist utilizing new edge glued technology in producing laminated finger joint products. The facility is estimated to provide between 20 to 30 jobs during the first years of operation with a potential of 50 full time jobs once the market demand reaches capacity in years 4 years. The Block Processing Plant will be jointly owned by the six First Nations who make up the board of directors of BLNDC. Funds are provided to assist with training, education and safety equipment for new workers for the plant.

Library Expansion — $15,000

Burns Lake Public Library Association

Since it was first organized in 1944, the Library has moved and expanded a number of times to meet growing demands on its services. The Library serves more than 1600 patrons, including more than 100 from the Southside of Francois Lake. An addition to the previously funded expansion project, this contribution is for the purchase of shelving and installation of a lift to make the facility assessable to all patrons. Funding partners for this project include the NKDF, the Burns Lake Public Library Association and the Province of British Columbia Community Development Initiative.

Arena Energy Saving — $25,240

Burns Lake Sport Centre Association

The proponent first applied for funding for upgrades to the Arena in October 2005 and received assistance from NKDF for improvements to the facility (including rubber flooring, install roofs, painting, light bulbs, furnace, and floor scrubber). The project was successfully completed. This component of the project is to complete energy saving upgrades oriented toward lowering the cost of maintaining the facility, including a refrigeration system, insulating gable ends, installing a new heating system and improving the water supply. Funding partners for this project include NKDF, the Village of Burns Lake and the Regional District of Bulkley Nechako.

Carving Shed — $60,000

Cheslatta Carrier Nation

Cheslatta Carrier Nation constructed a building to house a carving shed. It is intended to provide a place for skilled artisans to do their work while remaining open for visitors. It offers a facility to showcase local Southside skills and talents. The project was funded in partnership by NKDF and Cheslatta Carrier Nation.

Wood Chipper — $29,550

Cheslatta Carrier Nation

During the winter of 2006-2007 the Lakes communities experienced record breaking snowfalls, the weight of the snow collapsing buildings, downing power lines and trees from Houston through to Fort Fraser. As a result, there is a need to clean up massive amounts of woody debris on rights of ways, yards, roads and hay meadows. With the help of NKDF funding assistance, Cheslatta Carrier First Nation purchased a large capacity wood chipper and now contracts clean-up jobs throughout the area. Once established, the operation will expand to include other types of work, such as tree trimming, pruning and brush clean-up.

Film — $16,000

Cheslatta Carrier Nation

The purpose of this project is to produce a 90-minute documentary about the struggles for economic and social survival and development of the Cheslatta Carrier Nation and the Burns Lake Band. This partnership is made up of Cheslatta Carrier First Nations, Social Sciences and Humanities Council of Canada (SSHCC), UBC (in-kind), and NKDF.

Baker Airport Terminal Building — $100,000

Lakes District Airport Society

Lakes District Airport Society is constructing a 2,500 sq. ft. terminal building at the Baker Airport. The airport, located 20km west of Burns Lake, currently has no heated facility for visitors or medical staff. LDAS plans to recover costs ongoing to operate and maintain the building through meeting room rental, membership increases, cafeteria lease and office rental. The terminal building and the planned increase in service are necessary parts of the Lakes District efforts to combat the impacts of the mountain pine beetle infestation by diversifying the economy.

Building Upgrades — $22,140

Lakes District Fall Fair Association

The fair grounds are home to the annual agriculture fair, which has been going for more than 60 years. LDFFA is approved to receive funding to assist with building a barn for heavy horses and other stock as well as upgrading the addition of the exhibit hall by putting in a concrete floor, permanent lighting and plumbing. By offering improved facilities, the Association hopes to create economic benefits by increasing the number of attendees, events and expenditures to the Lakes District.

Community Signs — $15,000

Lakes Economic Development Association

Lakes Economic Development Association is approved for funding assistance with this downtown Burns Lake revitalization project, comprised of creating and replacing the easterly and westerly "Welcome to Burns Lake" community signs, as well as adding a 3rd entrance sign south of town.

Biathlon Range — $44,100

Omineca Ski Club

Omenica Ski Club was founded in 1927 and has enjoyed growth and many successes leading up to today. The Jean Paulson Lodge was built in 2005, with a potential occupancy of 150. The Biathlon is the combination of ski and shooting skills. It is a sport growing in popularity, and one where the contestants must complete and demonstrate skills at both skiing and shooting. Omenica Ski Club is building on existing assets to construct a biathlon range to BC Biathlon standards, as well as purchasing the equipment needed for the Club to host regional competitions. This project is funded in partnership by NKDF, COMFOR and the Omenica Ski Club.

Wind Energy Evaluation — $54,000

Stellat'en First Nation

Beginning with a strategic planning session in 2007 and subsequent meetings, the Stellat'en community have selected Wind Energy as a top economic development priority. Stellat'en First Nation wishes to complete a detailed wind resource evaluation to determine whether a wind energy operation might be feasible in the area. The resource assessment will be contracted to a technical expert in wind analysis. This project includes five steps to complete an analysis of the wind resource on the Stellat'en First Nation territory and a scoping study of financing and partnership models for project development. The Stellat'en First Nation will work with The Pembina Institute to implement the project. This project is funded in partnership by NKDF, Stellat'en First Nation, and INAC.

Nourse Park **$156,505**

Village of Burns Lake

The Village of Burns Lake plans to develop a community waterfront park to create a passive and active recreation and meeting area for residents and visitors. The project is located on a 2.5 acre property known as Nourse Park. The project includes a bandstand and seating area, an open grassy area, greenery, pathways, historical statues/art, and general amenities such as newly constructed washroom facilities, an irrigation system, lighting and a concession stand. This project is funded in partnership by NKDF, Province of British Columbia, Village of Burns Lake, Northern Development Trust Initiative, Union of British Columbia Municipalities-Health, Municipal Reserves, Western Economic Diversification (CEDI), and Green Trees.

5.4 Kitamaat Projects

Haisla Archives **$20,100**

Kitamaat Village Council

The purpose of this project was to hire and train an archival assistant to go through files, determine what's worth keeping, create duplicate hard copies and digital copies and purge all irrelevant information. Until this project was implemented, important Haisla documents and information was stored in various buildings and locations in the community. One objective of this project is to build capacity; to that end the Archival Assistant trainee is of Haisla descent. The project is managed by Project Leader Dr. J.V Powell, Professor Emeritus Department of Anthropology (UBC). This project is a partnership funded by Kitamaat Village Council and NKDF.

Haisla Marine Shipping Lines **$10,000**

Kitamaat Village Council

Kitamaat Village Council is exploring the potential and feasibility for a marine ferry service between Kitamaat Village and a number of smaller, remote coastal communities. The project is in two phases, the first phase including the feasibility and creation of a business plan, and the second phase involving the securing of assets and commencing business operations. This phase of the project is funded in partnership by NKDF, Kitamaat Village Council and Indian and Northern Affairs Canada.

Feasability Study **$5,000**

Gya'Wa'Tlaab Healing Centre Society

Gya'Wa'Tlaab Healing Centre Society is located in Kitamaat Village and has a mandate to help addicts who have failed other treatments. The Society wishes to determine feasibility of operating the facility as a social enterprise which would create economic benefits for the community. This project did not move forward as planned the offer the offer expired.

Haisla Tourism **$61,938**

Kitamaat Village Council

Kitamaat Village Council plans to build a tourism business using strategic assets and strengths - traditional territory, Kowesas Lodge and cabins, and the Haisla Nation boat. The goals of this project are: to prepare the Haisla Nation to transport tourism traffic, make improvements to Kowesas Lodge, interest Haisla band members in working in the tourism industry, develop training and coaching packages for workers, to test different tourism packages, to fine-tune the tourism offering and, after a suitable period of testing, to implement the business plan. This project is funded in partnership NKDF, Kitamaat Village Council, and Coast Sustainability Trust.

5.5 Regional Projects

New Crop Trials **$8,000**

BC Forage Council

The BC Forage Council is a non-profit society funded by memberships and is the lead agency in BC for testing improved forage crops. This project will test forage varieties between 2008 and 2011 for with the intention of increasing crop yield and profitability for Nechako area farmers and ranchers. Other funding partners include Nechako Area Livestock Producers and Fort Fraser Livestock (Horn) Fund.

Measuring Up The North **$7,500**

BC Paraplegic Association/North Central Municipal Association

Measuring up the North is a project conceived and managed in partnership by the North Central Municipal Association (NCMA) and the BC Paraplegic Association (BCPA), supported by the BC Healthy Communities Initiative. The *Measuring up Initiative* was created by the 2010 Legacies Now to encourage communities to evaluate themselves for accessibility; it is a 'guide and process', no funding is provided for the process. The purpose of this project is to assess and improve accessibility for all people in the northern communities. Funding assistance is for Coordinator wages and office and equipment costs. Partnering organizations include NKDF, North Central Municipal Association, BC Paraplegic Association, 2010 Legacies Now, BC Healthy Communities Initiative, the Real Estate Foundation of BC and the Prince George United Way.

Economic Development Association Conference **$2,500**

Community Futures Development Corporation of Fraser Fort George

The City of Prince George hosted the 2008 Economic Development Association of British Columbia (EDABC) conference. The purpose of the Conference was to gather 150 economic development professionals together to broaden educational and professional development opportunities. This project was funded by numerous organizations from across the province.

Poultry Processing Feasibility **$3,250**

Community Futures Development Corporation of Nadina

Changes in Meat Inspection Regulations under the Food Safety Act (September 2007) are directly impacting small-lot livestock producers living in British Columbia. After September 2007, small lot poultry growers living along the Highway 16 corridor will have no way of legally slaughtering chickens and turkeys for public sale. The goal of this project is to conduct the necessary research to produce a feasibility study for the different poultry processing options that would be practical for communities along the Highway 16 corridor from Vanderhoof through to Hazelton. This project is funded in partnership by NKDF, Ministry of Economic Development, Bulkley Valley Credit Union, Bulkley Valley Farmers Market Association, 4-H Council-Bulkley Valley Regional District, Regional District of Bulkley Nechako, Megan D'Arcy (in-kind), and Community Futures Development Corporation of Nadina.

Fall Conference 2008 **$2,500**

Community Futures Development Corporation of Stuart Nechako

CFDC of Stuart Nechako will partner in bringing the CFDC Annual Fall Conference 2008 to the north. The Conference will attract CFDC and non-CFDC economic development professionals from BC and Alberta. The purpose of the conference is to develop leadership skills and focus on attraction and retention of human resources. NKDF has approved funding to pay for speakers.

Murray Ridge Ski Hill Redevelopment **$40,000**

Fort St. James Ski Club

In partnership with the District of FSJ, the Fort St. James Ski Club has created a Redevelop Plan to upgrade the Murray Ridge Ski Hill. NKDF approved this project for an amount of $40,000 from the following year's budget, to assist with the well and water system, marketing, purchase of a groomer and a radio system. Funding partners for this project include the Towns for Tomorrow Program, District of Fort St. James, and Murray Ridge Ski Hill.

Last Mile Internet **$25,000**

Fraser Lake & District Rebroadcasting Society

The purpose of this project is to develop communications infrastructure by installing telecommunication equipment needed to provide high speed Internet access to Fort Fraser and surrounding area. Fort Fraser Ambulance Society and East Francois Lake Volunteer Fire/Rescue were awarded Last-Mile Community Networking Infrastructure Grants by the Ministry of Labour and Citizens' Services. Project benefits include: increased communication for emergency services, increased participation in economic development opportunities, easier for local businesses to operate, increased ability for professionals to telecommute, better access to distance education, and increased interrelations between communities.

Grassroots Development Project **$10,000**

Nechako-Kitamaat Development Fund Society

The purpose of the Grassroots Economic Development Opportunities Fund is to enable NKDF to facilitate project development at the community level while leveraging funding from outside the investment area. The idea behind this concept is to have funds available to assist constituents or applicants to turn their project ideas into living projects.

Administered by the NKDF Manager, the Grassroots Development funding is to assist applicants with locating potential funding agencies for projects and broader economic development related projects such as making training available that might not otherwise be offered in the communities in the NKDF investment area.

Swath Grazing Demonstrations — $16,920

Nechako Valley Regional Cattlemen Association

The purpose of this project is to conduct swath grazing demonstrations for the cattle producers in the Nechako Valley. Swath grazing has become a viable management practice, in the Peace River region of BC and throughout Alberta. This practice can be used to extend the grazing season and to reduce feed, labour and manure handling costs for cattle producers. The swath grazing management practice involves seeding annual cereals in mid-May to early June and swathing the crop in late August to mid-September when the crop reaches the soft to late dough stage and before killing frosts. The swaths are left in the field for the cattle to graze during the winter. The project provided four field scale demonstration projects in the Vanderhoof/Fraser area, and included having four ranch operations utilizing swath grazing practices in the late fall of 2008. Sites were spread throughout the Nechako Valley with the goal of utilizing differing location and production factors.

6. Financial Highlights at March 31, 2009

2008-2009 Income and Expenses	Budgeted	Actual
Administration Expenses	$81,000	$78,174
Grant Payments	$1,276,207	$694,665
Investment Income	$81,527	$49,594)

Note re administration expenses: Administration costs were lower than projected, partially because two representatives kindly served at their employer's expense (BC Government and Rio Tinto Alcan Inc.). Manager fees were $48,435, Director Honoraria totalled $6,963, travel and meeting costs were $6,310 and the balance of $13,466 was for accounting, advertising and office expenses.

Note re grants: The Society approved a total of $711,500 in new grants for the year.

Note re investment income: NKDF investments are held at Integris Credit Union in Vanderhoof and with Phillips Hager and North (PHN).

Account Balances as of March 31, 2009	Assets	Liabilities
Cash and Term Deposits	$691,153	
Short Term Investments	1,041,948	
Accrued Interest & Receivables	1,311	
Total Assets	$1,734,312	
Less Grant Commitments Outstanding		(774,312)
Total NKDF Assets Less Grant Commitments		**$1,025,000**

Combined assets: The balance of the original $15 million dollar contributions from Alcan and the BC Government are held in the Northern Development Fund, managed by the British Columbia Investment Management Corporation. The market value of this investment account as of March 31, 2009 was $15,926,581, so the combined assets of the NKDF and the Northern Development Fund total $17,860,873.

Annual Audit: The annual audit of the NKDF was completed in May 2009 by Edmiston-Mohr Chartered Accountants (Smithers). The statements are attached as Appendix A.

Appendix A: Audited Financial Statements